



23 February 2015

SENATE FINANCE & CLAIMS

Exhibit No. 3
Date Ambasáid hÉireann
Embassy of Ireland
Bill No. Washington DC 83167

The Honourable Senator Debby Barrett
President
Montana Senate
PO Box 200500
Helena MT 59620-0500

Re: Montana Senate Bill 167

Dear President Barrett,

I am writing to you on behalf of the Government of Ireland concerning Senate Bill 167. I had previously written to your colleague, Senator Bruce Tutvedt, Chairman, Senate Taxation Committee while this Senate Bill was under consideration by his Committee.

The Government of Ireland was surprised and disappointed to learn that this draft legislation entirely groundlessly labels Ireland as a 'tax haven'. This has no State, Federal or international precedent.

Ireland is not a 'tax haven'. Ireland is in full compliance with all applicable international standards and frameworks. Ireland is committed to the OECD Base Erosion and Profit Shifting (BEPS) process and the ongoing work at the European Union level to deal with these issues. Furthermore, Ireland has welcomed the G20 endorsement of the new Common Reporting Standard for Automatic Exchange of Tax Information, which was inspired by the US Foreign Accounts Tax Compliance Act, and we have legislated for it in our own Finance Act 2014. We are one of the jurisdictions that have already committed to early adoption of this standard.

Ireland also has a successful and stable Double Taxation Agreement in place with the United States. Ireland is not a nominal-tax or a no-tax jurisdiction. We have a corporate tax rate of 12.5% which is statute-based and applied transparently to domestic and international companies. This is not the lowest corporate tax rate even within the European Union.

Ireland is not in any sense a tax secrecy jurisdiction, in fact quite the contrary; Ireland supports the automatic exchange of information between tax authorities as an important tool in the fight against tax fraud and evasion. For that reason we were one of the first countries in the world to conclude an international agreement with the United States on the implementation of the Foreign Account Tax Compliance Act in December 2012. Furthermore, in November 2013, the Global Forum on Transparency and Exchange of Information for Tax Purposes' assessed Ireland as being one of only eighteen countries which attained its top rating of "compliant".

We do not seek to attract brass-plate investments to Ireland, but substantive operations of US and other global companies. Many of these operations service the vast EU market of more than 500 million people, as well as international markets beyond Europe. In fact, more than 77% of US multinational exports from Ireland go to non-US markets. US companies employ some 100,000 Irish people in these high value operations, critical to their global success.

In return Irish companies employ tens of thousands of Americans across all 50 States, including Montana. Ireland was the 7th largest source of international investment into the United States in 2012 and importantly, Ireland was the 6th fastest growing source of foreign direct investment into the United States that year.

As Ireland's single largest export market for goods in 2013, the US consumed 21% of our goods exports. The US is also Ireland's largest trading partner in international traded services, with total trade in services amounting to more than €30 billion in 2012. This trading relationship is also significant, with Ireland standing as the 13th largest source of imports of goods into the US, as of November 2014. The bilateral trade and investment relationship which exists between the US and Ireland is deep, multifaceted and works to the strong benefit of both sides.

We believe that this legislation could undermine the strong and mutually-beneficial business links which exist between Ireland and Montana.

Given Ireland's compliance with all international tax standards and the mutually-beneficial nature of the economic relationship between our two countries, it is extremely disappointing that this legislation has been moved, without any consultation or engagement with the Irish authorities.

I would respectfully ask you, and all the members of the Montana Senate, to consider these points as you deliberate on this draft legislation.

I would be most grateful if you could bring this letter to the attention of the entire membership of the Montana Senate.

Yours sincerely,

A handwritten signature in cursive script that reads "Anne Anderson".

Anne Anderson
Ambassador